

# raven's circle

## CIRI invests in Weldin Construction

Shareholder-owned business now part of CIRI's government contracting portfolio

CIRI Services Corp. acquired a majority interest in Weldin Construction LLC, a full services engineering and construction company formerly owned and operated by CIRI shareholder Richard (Dick) Weldin, on March 12. CIRI Services Corp. is a wholly owned CIRI subsidiary.

Weldin Construction LLC is headquartered in Palmer, Alaska. The firm was founded in 1991 by Weldin and his wife, Jennie. Richard Weldin will transition to president of CIRI Services Corp. and will oversee construction-related projects for the federal government.

"Weldin Construction LLC is a profitable, highly regarded company with a long history of demonstrated success and ability to self-perform work for its customers," said Margie Brown, CIRI president and CEO. "The acquisition of Weldin will help CIRI build its baseline income and grow its other 8(a) companies. It will also bring opportunities for shareholder hire in Alaska."



CIRI shareholder Dick Weldin and his wife Jennie stand in front of construction equipment. CIRI Services Corp. acquired a majority interest in their company in March.

"CIRI's ownership in Weldin will benefit our existing customers by assuring long-term continuity," said Weldin. "I look forward to joining the CIRI government contracting team, and look forward to providing benefits like dividends and jobs to CIRI shareholders."

Weldin provides design/build construction, project management, self-performed electrical, mechanical, HVAC, and heavy civil concrete services, as well as specialization in military and civilian fuel systems. Weldin customers include the Air Force, the Army, the Army Corps of Engineers, the Missile Defense Agency and a variety of large federal maintenance and operation contractors. Learn more about Weldin by visiting [www.weldin.com](http://www.weldin.com). Learn more about career opportunities at CIRI and CIRI subsidiaries by visiting [www.ciri.com/content/careers/careers.aspx](http://www.ciri.com/content/careers/careers.aspx)

## CIRI acquires Cruz Energy Services, Cruz Marine

Companies welcomed to CIRI's family of businesses

CIRI acquired a majority equity stake in Cruz Energy Services LLC to provide heavy construction and other oilfield services in the rapidly expanding oil industry in North Dakota and other Lower 48 markets. CIRI also acquired a majority interest in Cruz Marine LLC to provide tug and barge services for resource development projects.

Dave and Dana Cruz hold a significant minority equity position in these two companies and will manage their operations. CIRI did not acquire any interest in or oversight of Cruz Construction Inc., the Alaska land-based oilfield services provider, which is not impacted by this deal.



Two Cruz Marine tug boats, named after Dana and Millie Cruz, in Portland, Ore. before embarking for Point Barrow, Alaska and the Barrow Islands off the coast of Australia for work in summer 2011.

"I warmly welcome Cruz Energy Services and Cruz Marine to CIRI," said Margie Brown, CIRI president and CEO. "These acquisitions are important to the Company. The Cruz-CIRI combination brings financial strength, experience and operational excellence and will help CIRI sustainably grow its energy business interests outside of Alaska. CIRI's Cruz Energy and Cruz Marine investments provide CIRI with a very desirable measure of diversification in this business sector."

## Impact of ANCSA

CIRI nonprofits enrich lives, community

It wasn't long ago that June Layman's longtime dream was slipping through her fingers. The CIRI shareholder was a divorced mother of two boys, one with a disability, struggling to make ends meet in a bad economy in Southern California. Her plans to become a nurse no longer seemed realistic.

And then CIRI helped change everything.

At the urging of her brother, Layman moved back to Anchorage, where she'd spent her early childhood years. An array of CIRI's nonprofit services, scholarships and grants, primarily through Cook Inlet Tribal Council (CITC) and The CIRI Foundation, helped her start over, offering assistance with housing, employment and educational pursuits. She's now raising her sons, Luke, 9, and Zachery, 7, and working as a certified nurse assistant while pursuing a nursing degree at the University of Alaska Anchorage.

*Impact of ANCSA, continued on page 6*

The third installment of a series about ANCSA and its impact on Alaska Native livelihood.

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A word from the president

# Excerpts from the 2011 CIRI annual report president's letter to shareholders

By: Margie Brown, CIRI president and CEO

Dear Fellow Shareholders,

CIRI had a good year in 2011. The Company earned net income of \$29.6 million, up from \$16.5 million in 2010. CIRI's total assets increased to \$760 million in 2011 from \$735 million in 2010. And total shareholders' equity at the close of 2011 was \$634.5 million, up from \$627.4 million in 2010. In addition to strong financial performance, the Company also made significant strides in achieving its goal of finding additional business investments and acquiring companies that will improve our near- and mid-term cash flow while providing additional diversification of business lines.

Before describing those achievements, it is appropriate to take a moment to remember that the Alaska Native Claims Settlement Act was signed into law on Dec. 18, 1971. It mandated the establishment of Alaska Native regional and village corporations, and CIRI was formed less than six months later on June 8, 1972. This means CIRI celebrates its 40-year anniversary in 2012. I cannot help but take great pride in all of the amazing feats our Company has accomplished in its first 40 years.

CIRI paid its first dividend to shareholders in 1980 and has paid dividends every year since then. It created and initially funded a family of independent nonprofits that provide needed education, health care, social and cultural services to CIRI shareholders, descendants and others. It invested in a diversified portfolio of assets that have grown in value and enabled our Company to weather economic downturns. And today, the CIRI Board and executives continue to evolve the Company to expand its investment focus to include more development projects and business operations that promise to generate sustainable, stable growth and revenue to benefit generations of shareholders.

We are pursuing two related goals. First, CIRI is investing in long-term development projects that provide opportunities to transform the Company and position it for future success. Such projects, including our underground coal gasification and other energy projects, will have a scope and scale that offer significant growth potential but require longer lead times to produce revenue. Second, and equally important, we recognized the need for investments that promise stable and predictable cash flows and net income in the near- and mid-term. During the past several years, and continuing into 2012, we have focused on purchasing operating businesses that are positioned to grow over time while also producing stable and sustainable revenue streams.

CIRI purchased North Wind Inc. in late 2009, and 2011 was the second full year that business has been in CIRI's portfolio of companies. North Wind's performance has contributed to CIRI's bottom line, and it successfully provides a variety of environmental remediation, project management and construction services across the country.

The Company also teamed with Dean Weidner and Weidner Apartment Homes to invest in multifamily properties in the Tucson and Phoenix markets. While in the early years these properties produce depreciation that

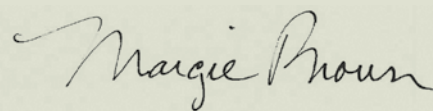
serves to depress net income, they are expected to produce immediate cash flow and positive net income in the near-distant future.

More recently, CIRI invested in the Cook Inlet Natural Gas Storage Alaska project to meet Southcentral Alaska's natural gas storage needs. It partnered with leading financial services provider TIAA-CREF and Edison Mission Energy to invest in utility-scale wind farms in Wyoming, Texas and other states. It acquired a majority equity stake in Cruz Energy Services LLC to provide heavy construction and other oilfield services in North Dakota's rapidly expanding oil patch and other Lower 48 markets. It acquired a similar interest in Cruz Marine LLC to provide tug and barge services for resource development projects, including the Fire Island Wind project, in and outside of Alaska. And CIRI acquired a majority interest in Weldin Construction LLC, a full-service engineering, construction and project management company based in Palmer, Alaska, which provides a variety of construction services, especially for federal agencies and contractors.

As this message is written, wind turbine components for the Fire Island Wind project are arriving in Anchorage for the start of construction on the island this spring. The Fire Island Wind project will produce near-term cash flow under its 25-year power purchase agreement with Chugach Electric as well as providing CIRI with significant depreciation to legitimately lower our tax burden. Equally exciting is the progress being made to develop a significant commercial natural gas discovery that was made on CIRI lands last year. Our Company is supporting the lessee's efforts to secure permits it needs to build infrastructure and start producing and selling natural gas from CIRI's subsurface estate.

These investments and others are transforming our Company and promise to provide near-term cash flow and net income and support long-term growth and sustainable revenues. These are the kinds of investments that provide solid footing as CIRI looks ahead to its next 40 years.

It has been my honor and privilege to work with many bright and dedicated people at CIRI for most of CIRI's first 40 years, and I have enjoyed contributing my efforts to help CIRI grow into a well-diversified, financially stable company that will continue to evolve and thrive for generations to come.




## CIRI Board of Directors

Charles G. Anderson, Aleut,  
Chair

Roy M. Huhndorf, Yup'ik,  
Chair Emeritus

Patrick M. Marrs, Aleut,  
Vice Chair

Thomas P. Huhndorf, Yup'ik,  
Secretary

Michael R. Boling, Athabaskan,  
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Douglas W. Fifer, Tlingit,  
Assistant Secretary

Penny L. Carty, Aleut,  
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Hallie L. Bissett, Athabaskan

Rolf A. Dagg, Yup'ik

Erik I. Frostad, Athabaskan

Jeffrey A. Gonnason, Haida

Robert E. Harris, Inupiaq

Katrina M. (Dolchok) Jacuk, Aleut

Ted S. Kroto Sr., Athabaskan

Louis "Lou" Nagy Jr., Yup'ik

Our Business



The Alta Phoenix Lofts is a luxury mid-rise apartment complex located in downtown Phoenix, Ariz.

## CLDC and Weidner team acquire Alta Phoenix Lofts

CIRI Land Development Co. (CLDC) and Dean Weidner of Weidner Apartment Homes purchased the Alta Phoenix Lofts in downtown Phoenix, Ariz. in March. The property features 332 Class "A" apartment units with modern finishes for luxury loft living situated on a 2.74 acre-complex. Construction was completed in 2009. The CLDC and Weidner partnership now own a total of seven properties in Tucson and Phoenix that have a total of 2,858 apartment units. Learn more about Weidner Apartment Homes by visiting [www.weidner.com](http://www.weidner.com)

## CIRI Spotlight: Alina Ancell

CIRI employee and shareholder moves up at company

Visitors to CIRI's corporate offices at 2525 C Street in Anchorage have been warmly greeted by receptionist and CIRI shareholder Alina Ancell. Not for long though. Ancell recently accepted a position as a resources technician and administrative assistant in CIRI's Land and Resources Department, where she will provide technical, project management and administrative support.



Alina Ancell

Ancell was born in Kotzebue to CIRI shareholder Sandra Fuentes. She moved to Anchorage at the age of three where she was raised by her mother and father, Mario Fuentes, along with an older brother, younger sister and two younger brothers. In 2010 she moved to Seward, Alaska to attend AVTEC - Alaska's Institute of Technology, where she earned a general business and office assistant certification. She is currently working toward earning a bachelor's degree in business with a minor in computer information at the University of Alaska Anchorage while continuing to work full-time at CIRI.

Sadly, Ancell's mother, Sandra Fuentes, passed away in January 2011. Fuentes worked at Providence Hospital for NANA Management Services as a housekeeping supervisor. She was known professionally for her strong work ethic and personally for her warmth and compassion. Ancell, along with her 18-year-old sister, helps care for her two younger siblings who are now ages 12 and 16.

"Having a strong work ethic was really important to my mom, and she instilled that in me," said Ancell. "I have worked since the age of 14. With support from The CIRI Foundation and Cook Inlet Tribal Council, I am working towards completing my degree."

As CIRI's receptionist, Ancell was able to get a good idea of what different departments do. Her interest was piqued when CIRI began recruiting a resources technician and administrative assistant in the Land and Resources Department because she has a genuine interest in land management.

"I am looking forward to furthering my career at CIRI," said Ancell. "This is a stepping stone in the long career I hope to have here."

Outside of work and school, Ancell enjoys volunteering her time at CIRI-organized volunteering events and recently participated in the 2012 Choose Respect March.

## Save the date!

Shareholder information meetings and annual meeting

### Anchorage, Alaska

Saturday, April 21  
Dena'ina Civic & Convention Center  
600 West Seventh Avenue  
Registration opens at 9:30 a.m.

Help CIRI ensure there will be enough food. Please RSVP for the Anchorage meeting by 5 p.m. Wednesday, April 18; the Puyallup meeting by 5 p.m. Monday, April 23, and the Kenai meeting by 5 p.m. Monday, April 30 online at <http://www.ciri.com/annualmeeting> or by calling (907) 263-5191 or (800) 764-2474 and selecting option 5.

### Puyallup, Wash. Northwest

Saturday, April 28  
Chief Leschi School  
5625 52nd Street East  
Registration opens at 9:30 a.m.

### Annual meeting

June 2, 2012  
Soldotna Sports Center  
538 Arena Avenue  
Soldotna, Alaska  
Registration opens at 8 a.m.

### Kenai, Alaska

Saturday, May 5  
Kenai Middle School  
201 North Tinker Lane  
Registration opens at 11 a.m.

## Ellen Paneok inducted into Alaska Women's Hall of Fame

Shareholder was first Alaska Native commercial and Bush pilot

Late CIRI shareholder Ellen Paneok was inducted posthumously into the Alaska Women's Hall of Fame on March 1. At the age of 16, Paneok received a \$1,500 dividend from CIRI, and used the money to take flying lessons. A lifelong artist, she also sold her artwork to help fund her private-pilot license training. She went on to become the first Alaska Native commercial and Bush pilot.



Ellen Paneok

She was celebrated for her aviation skill, and was one of a few pilots authorized to fly the Alaska Aviation Heritage Museum's vintage aircraft. She later worked for the Federal Aviation Administration and for the Alaska Aviation Foundation.

Paneok served on the boards of the Alaska Aviation Heritage Museum, the Alaska Airmen's Association, Big Brothers and Big Sisters Anchorage, the Alaska Historical Commission and Challenge Alaska. She often spoke to groups of children in Anchorage and rural Alaska about the challenges she overcame to become a pilot, and encouraged children to follow their dreams. She passed away in 2008 at the age of 48.

Photo courtesy of the Alaska Women's Hall of Fame

## Margie Brown honored with 2012 ATHENA Award

Susan Anderson of TCF inducted into Athena Society

Photo by Erik Hill/Anchorage Daily News



CIRI President and CEO Margie Brown and her husband Allen Brown with past ATHENA award winners Heather Flynn and Jane Angvik. Brown received a standing ovation from a crowd of more than 600 upon receiving the award.

CIRI President and CEO Margie Brown was honored with an ATHENA Award at a luncheon on April 2. For the past 18 years, the Anchorage ATHENA Award has been bestowed upon an Anchorage ATHENA Society member in honor of his or her demonstration of excellence, distinguished career, tireless efforts to give back to the community and encouragement of women in their business and professional endeavors.

"We are proud to pay tribute to some of Anchorage's pioneers in business, community service and personal accomplishment," said Anchorage Chamber president, Sami Glascott. "The Anchorage ATHENA Society continues to thrive with strong leaders and Margie is someone who easily exemplifies all the tenets of the International ATHENA Leadership model."

ATHENA Award, continued on page 7

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# Guide to the 2011 Annual Report

## Understanding CIRI's financial statements

CIRI recently released its 2011 Annual Report. This document summarizes the Company's performance last year and contains information that shareholders and interested readers can use to better understand CIRI's business and investments. Annual Report financial statements can be difficult to understand. This guide explains key parts of the financial statements that are on pages 34-37 of CIRI's 2011 annual report. The consolidated financial statements include:

- **Balance sheets**
- **Statements of Operations**
- **Statements of Cash Flows**
- **Statements of Changes in Shareholders' Equity and Comprehensive Income (Loss)**

The consolidated financial statements are accompanied by footnotes that provide additional details about the Company's financial position, investments and earnings. An independent auditor, KPMG LLP, audits the financial statements and issues its opinions as to CIRI's conformity with generally accepted accounting principles. Following the financial statements and footnotes is CIRI management's discussion and analysis that provides additional information about the Company's operations and holdings.



### Consolidated Balance Sheets

December 31,	2011	2010
	(in thousands)	
<b>Assets:</b>		
Cash and cash equivalents	\$ 122,173	78,908
Marketable securities (notes 4 and 11)	81,446	112,050
Trade and other receivables, net (note 5)	25,972	34,024
Restricted cash and cash equivalents (note 13 and 19)	20,101	1,735
Income taxes receivable (note 18)	88,231	82,769
T-Mobile exchange rights agreement (note 6)	131,668	159,451
Investments in unconsolidated affiliates (note 7)	154,944	152,902
Real estate investments, net of accumulated depreciation of \$9,180,000 and \$8,285,000 for 2011 and 2010, respectively (note 9)	40,966	43,807
Property and equipment, net of accumulated depreciation of \$47,981,000 and \$44,241,000 for 2011 and 2010, respectively (note 10)	64,200	38,792
Natural resource and energy investments (note 9)	22,748	22,748
Goodwill (notes 2 and 8)	1,151	820
Intangible assets, net (notes 2 and 8)	6,278	5,277
Other		
<b>Total assets</b>	<b>\$ 759,878</b>	<b>735,186</b>
<b>Liabilities and shareholders' equity:</b>		
<b>Liabilities:</b>		
Notes payable (note 14)	\$ 49,326	26,639
Accounts payable	19,020	19,897
Accrued liabilities (notes 7, 19 and 20)	16,220	20,581
Due to other regions, at-large shareholders and village corporations (note 15)	12,275	9,618
Income taxes payable (note 18)	586	-
Deferred income taxes (note 18)	20,054	29,800
Derivative liability (note 12)	1,693	151
Other (note 13)	5,699	770
<b>Total liabilities</b>	<b>124,873</b>	<b>107,456</b>
<b>Shareholders' equity:</b>		
Common stock of no par value (note 16)	208,464	208,464
Paid-in capital	426,808	419,135
Retained earnings		
Accumulated other comprehensive income - unrealized gains and losses on marketable securities and cash flow hedge (notes 4 and 12)	(801)	(165)
<b>Total shareholders' equity attributable to Cook Inlet Region Inc.</b>	<b>634,471</b>	<b>627,434</b>
Noncontrolling interests (note 16)	534	296
<b>Total liabilities and shareholders' equity</b>	<b>\$ 759,878</b>	<b>735,186</b>

### Consolidated Balance Sheets

**Assets:** What the Company owns.

**Liabilities:** What the Company owes.

**Shareholders' equity:** The net worth of the Company, which is equal to Company assets minus Company liabilities.

**Cash and cash equivalents and marketable securities:** Cash in bank accounts, money market accounts, equities and bonds that can easily be converted into cash.

**Investments in unconsolidated affiliates:** CIRI's ownership interests and other corporations, partnerships, limited liability companies and joint ventures in which CIRI does not hold a controlling interest.

**Real estate investments, net:** Real estate in Alaska and other states. These investments include commercial and industrial properties for lease or sale and residential developments and other lands held for development or sale.

**Liabilities:** Amounts owed by CIRI from debt or costs unpaid at year-end.

### Consolidated Statements of Operations

CIRI's revenues and expenses are reported by operating segment:

- **Real estate income** includes property leases, property management fees and brokerage commissions and CIRI's interests in multifamily and retail investments as well as revenues from the sale of real estate holdings.
- **Construction income** is CIRI's share of earnings from its 50 percent ownership of a construction company and 50 percent ownership and sale of Peak Oilfield Service Co.
- **Government income** includes CIRI's operations that provide services to local, state and federal government agencies.
- **Telecommunications income** is from CIRI's ownership interest in a joint venture with T-Mobile.
- **Tourism income** is from CIRI's Alaska tourism company and CIRI's interests in out-of-state hospitality properties.
- **Natural resources and energy income** is primarily from oil and gas royalty revenues and from the 7(i) resource sharing payments received from other ANCSA corporations.
- **Private equities income** is from investments in general private equity and venture capital funds that invest in a broad variety of industries, both foreign and domestic.
- **Income per share of common stock** divides the net income by 627,800, the number of outstanding CIRI shares, to report the amount of income earned per share.

### Consolidated Statements of Operations

Years ended December 31,	2011	2010	2009
	(in thousands, except income per share)		
<b>Revenues:</b>			
Real estate	\$ 5,911	7,324	10,601
Construction	23,733	7,614	17,320
Government services	114,231	118,198	667
Telecommunications (note 6)	5,669	8,960	11,924
Tourism and hospitality	22,091	18,339	16,334
Natural resources and energy	16,381	12,043	12,266
Private equities	13,546	3,750	(9,276)
Investment securities	(734)	12,129	20,057
<b>Total revenues</b>	<b>200,828</b>	<b>188,357</b>	<b>79,893</b>
<b>Expenses:</b>			
Real estate	9,114	8,792	6,822
Construction	(344)	313	(923)
Government services	106,342	110,323	2,809
Telecommunications	48	155	18
Tourism and hospitality	22,519	21,512	21,265
Natural resources and energy	5,758	3,643	4,852
Private equities	1,213	1,233	1,354
Investment securities	496	674	539
General and administrative and shareholder relations	15,738	14,855	13,436
<b>Total expenses</b>	<b>160,884</b>	<b>161,500</b>	<b>50,172</b>
<b>Income before income taxes</b>	<b>39,944</b>	<b>26,857</b>	<b>29,721</b>
Income tax provision (note 18)	(10,084)	(9,990)	(5,212)
<b>Net income</b>	<b>29,860</b>	<b>16,867</b>	<b>24,509</b>
Less income attributable to noncontrolling interests, net of income tax provision of \$0, \$24,000 and \$6,000 for 2011, 2010 and 2009, respectively	(219)	(332)	(11)
<b>Net income attributable to Cook Inlet Region Inc.</b>	<b>\$ 29,641</b>	<b>16,535</b>	<b>24,498</b>
<b>Income per share of common stock</b>	<b>\$ 47.21</b>	<b>26.34</b>	<b>39.02</b>

(See accompanying notes to the consolidated financial statements.)

## The Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income (Loss)

This financial statement shows the year's activity in each of the components of shareholders' equity including current year net income and dividends paid to shareholders.

**Net income as reported in the statements of operations.**  
**Total dividends paid to shareholders during 2011.**

## Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income (Loss)

Years ended December 31, 2011, 2010 and 2009

	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Equity Attributable to CIRI	Non-controlling Interests	Total
Balance as of January 1, 2009	\$ 209,159	422,478	400	632,037	95	632,132
Net income	-	24,498	-	24,498	11	24,509
Change in valuation of marketable securities, net of \$580,000 of deferred income taxes (note 4)	-	-	-	-	-	-
Total comprehensive income	-	-	988	988	-	988
Change in noncontrolling interests, other than allocation of income	-	-	-	25,486	11	25,497
Elders' Benefit Program distribution (note 16)	-	-	-	-	(19)	(19)
Cash distributions - \$35.24 per share (note 16)	-	(10)	-	(10)	-	(10)
Balance as of December 31, 2009	209,159	424,842	1,388	635,389	87	635,476
Net income	-	16,535	-	16,535	332	16,867
Change in valuation of marketable securities, net of \$912,000 of deferred income taxes (note 4)	-	-	-	-	-	-
Total comprehensive income	-	-	(1,553)	(1,553)	-	(1,553)
Change in noncontrolling interests, other than allocation of income	-	-	-	14,982	332	15,314
Purchase of subsidiary shares from noncontrolling interest (note 16)	(695)	-	-	-	(123)	(123)
Elders' Benefit Program distribution (note 16)	-	-	-	(695)	-	(695)
Cash distributions - \$35.42 per share (note 16)	-	(6)	-	(6)	-	(6)
Balance as of December 31, 2010	208,464	419,135	(165)	627,434	296	627,730
Net income	-	29,641	-	29,641	219	29,860
Change in valuation of marketable securities, net of \$192,000 of deferred income taxes (note 4)	-	-	-	-	-	-
Change in valuation of derivative classified as a cash flow hedge, net of \$565,000 of deferred income taxes (note 12)	-	-	326	326	-	326
Total comprehensive income	-	-	(962)	(962)	-	(962)
Change in noncontrolling interests, other than allocation of income	-	-	-	29,967	219	30,186
Elders' Benefit Program distribution (note 16)	-	-	-	-	19	19
Cash distributions - \$34.98 per share (note 16)	-	(7)	-	(7)	-	(7)
Balance as of December 31, 2011	\$ 208,464	426,808	(801)	634,471	534	635,005

## Consolidated Statements of Cash Flows

	2011	2010	2009
Years ended December 31, (in thousands)	\$ 29,860	16,867	24,509
<b>Cash flows from operations:</b>			
Net income	7,433	4,570	3,287
Reconciliation of net income to net cash provided by operating activities:			
Earnings of unconsolidated affiliates, net of distributions	(219)	(332)	(11)
Noncontrolling interest	6,584	7,784	5,212
Depreciation and amortization	203	(52)	31
Amortization of premiums and discounts on marketable securities	(42,892)	(15,989)	(653)
(Gain) loss on sale of assets	12,091	7,220	(19,152)
Unrealized loss (gains) on marketable securities	(5,462)	(8,663)	(11,544)
Accrued income on exchange rights agreement	-	(3,753)	-
Purchase price adjustment on acquisition (notes 3 and 8)	1,380	1,518	-
Imputed interest expense	5,807	-	-
Write-down for other-than-temporary impairment	(9,373)	2,689	9,922
Write-downs of assets	7,731	10,822	8,981
Deferred income taxes	7,731	(6,566)	89,330
Changes in operating assets and liabilities, net of businesses acquired (note 3)	13,143	16,115	109,912
<b>Net cash provided by operations</b>	<b>184,884</b>	<b>83,281</b>	<b>148,006</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of marketable securities	(156,853)	(73,720)	(196,891)
Purchases of marketable securities	744	660	4,833
Proceeds from disposals of real estate investments	65,000	-	-
Proceeds from disposals of construction services investments	213	-	-
Proceeds from the disposal of other assets	16,420	6,751	138
Capital returned from investments in private equities	275	53,076	3,543
Capital returned from investments in unconsolidated affiliates (note 7)	-	(764)	-
Purchase of noncontrolling interest	(2,337)	(2,080)	(2,906)
Cash invested in operating property and equipment	(20,195)	(26,374)	(17,121)
Cash invested in real estate	-	-	(8,593)
Cash invested in government services, net of cash acquired	(27,836)	(16,548)	(321)
Cash invested in natural resources and energy	(16,925)	(17,240)	(19,724)
Cash invested in private equities	(7)	(662)	(472)
Cash invested in partnerships and limited liability companies	43,383	6,320	(89,206)
<b>Net cash provided by (used in) investing activities</b>	<b>(5,707)</b>	<b>(8,115)</b>	<b>(5,628)</b>
<b>Cash flows from financing activities:</b>			
Principal payments on notes payable	27,014	6,745	3,327
Proceeds from issuance of debt	(17,600)	-	-
Increase in restricted cash and cash equivalents from financing	5,000	-	(10)
Increase in working capital cash and cash equivalents received in advance	(7)	(6)	(22,124)
Distributions to Elders' Benefit Program	(21,961)	(22,236)	(24,435)
Distributions to shareholders	(13,261)	(23,612)	(24,435)
<b>Net cash used in financing activities</b>	<b>43,265</b>	<b>(1,177)</b>	<b>(3,729)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>78,908</b>	<b>80,085</b>	<b>83,814</b>
Cash and cash equivalents at beginning of year	\$ 122,173	78,908	80,085
<b>Cash and cash equivalents at end of year</b>	<b>\$ 201,081</b>	<b>158,993</b>	<b>163,900</b>

## Consolidated Statements of Cash Flows

This financial statement shows how CIRI used or received cash during the year.

**CIRI generated \$13.1 million from its operations in 2011.**

**CIRI received net \$43.3 million in 2011 from investments in and sales of operating assets, interests in affiliates and marketable securities.**

**Of its \$29.9 million in net income, CIRI paid \$21.9 million in shareholder dividends in 2011.**

## Glossary of financial terms

**Asset:** Something of value that is owned, including cash and items that are convertible to cash. Examples of assets include receivables (monies owed to the company), inventories (supplies), property and equipment (buildings, land, machinery, etc.).

**Consolidated Balance Sheets:** These reports show what a corporation and its subsidiaries own (assets) and owe (liabilities) at a certain date. They also show shareholders' equity.

**Consolidated Statements of Cash Flows:** These reports show the amount of cash received and spent during a fiscal year, including:

- Cash received or spent operating a business
- Cash received or spent buying and selling assets
- Cash borrowed or paid on debt and/or paid to shareholders.

**Consolidated Statements of Operations:** These reports show the combined revenues, expenses and net income or net loss of a company.

**Equity:** Total assets minus total liabilities equals total shareholders' equity.

**Expenses:** The costs required to generate revenue. For example, fuel to operate construction equipment.

**Fiscal year:** Also called a financial year; any yearly period without regard to the calendar year at the end of which a company or organization determines its financial condition. CIRI's fiscal year is Jan. 1 through Dec. 31.

**Liability:** A company's legal debts or obligations that arise during the course of business operations.

**Limited liability company (LLC):** A LLC is a business organization that combines elements of both partnership and corporations. It limits the legal risk to its owners to only the amount of their investment.

**Liquidity:** Cash and current assets sufficient to satisfy a company's liabilities and commitments as they come due.

**Marketable securities:** A general term for stocks, bonds or other investments that can be sold on the open market.

**Net income:** When total revenues exceed total expenses.

**Net loss:** When total expenses exceed total revenues.

**Revenue:** The money made by operating a business or earned from holding an asset.

## CIHA's Loussac Place accepting applications

Townhouse-style homes offer easy access to downtown, midtown

Cook Inlet Housing Authority's (CIHA) Loussac Place is now accepting applications for townhouse-style rental homes. Loussac Place will offer two-, three- and four-bedroom units in a range of building sizes and styles, from duplexes to six-plexes. Each home will have its own private entry and garage.

Amenities featured in Loussac Place rental homes include an in-unit washer/dryer, energy efficient construction, window coverings, solid-surface countertops and vaulted ceilings. Residents will enjoy a walker-friendly neighborhood with green space, two playgrounds and a tenant garden area. The Z.J. Loussac Community Building will offer Camp Fire USA after-school programs complete with an on-site community director, a computer lab, a library, reading space and space for community events.

Construction on "Loussac Place...Where Families Grow" began spring 2011, and is targeted for completion May 2013. Leasing will begin June 2012, when the first group of buildings is completed. Call (907) 793-3000 or visit [www.cookinlethousing.org](http://www.cookinlethousing.org) to learn more about CIHA's programs and rental properties.



Finishing touches are applied to a Loussac Place home. Applications are now available online at [www.cookinlethousing.org](http://www.cookinlethousing.org) for rental homes at Loussac Place, located between A Street and C Street off of 20th Avenue.

## Impact of ANCSA continued from page 1



CIRC shareholder June Layman greatly benefitted from the CIRC family of nonprofits' services and programs. She is working toward becoming a nurse.

"It's just sort of miracle how everything has turned out," she said. "My boys know mommy's going to become a nurse. They are very inspired seeing me doing my homework."

Since its founding after passage of the Alaska Native Claims Settlement Act, CIRC has given millions of dollars to create and support nonprofit organizations to help its shareholders, their descendants, and other Alaska Native and American Indian people live healthy and successful lives.

From the beginning, CIRC understood the needs of its shareholders went beyond generating dividends, said Carol Gore, president and CEO of Cook Inlet Housing Authority, one of seven CIRC-founded and affiliated nonprofits.

"CIRC fostered leaders and leadership to build a system of collaboration that today delivers an amazing array of economic, education, health, housing and social benefits to its shareholders," she said. "As a result, our region is a leader, working together to identify resources and programs that meet the diverse needs of our shareholders and other Alaska Native people."

Just as ANCSA provided a foundation for Alaska Native people to seek economic self-sufficiency, CIRC provides a strong foundation for Native people seeking to empower themselves today, said Gloria O'Neill, CIRC president and CEO.

"Whether it's through education, job-skills training, achieving sobriety and wellness, or promoting healthy, stable families, our community's nonprofit organizations provide essential tools needed for Alaska Native people to realize their full potential," she said.

Now 40, Layman had lost touch with her cultural identity after her family moved to California when she was 11. She credits the entire CIRC community for giving it back.

"They just made me feel at home in reconnecting with my people," she said. "My mother is gone, but I almost feel her presence here with me. I think she would be really proud of me knowing I'm pursuing a nursing degree and that I'm back home."

"Had it not been for these programs, I would have continued this struggle of working a full-time job trying to support my children at a poverty level. I don't think I would ever have been able to get out."

"I'm forever thankful for CIRC. Without CIRC, I don't think I would have the future I'm working for today."

CIRC is founder of the Alaska Native Heritage Center, the Alaska Native Justice Center and Koahnic Broadcast Corp. CIRC-affiliated nonprofits include Cook Inlet Housing Authority, Cook Inlet Tribal Council, The CIRC Foundation and Southcentral Foundation. For more information about these programs, visit [www.circ.com/content/shareholders/nonprofitservices.aspx](http://www.circ.com/content/shareholders/nonprofitservices.aspx).

## ANJC to host town-hall meeting on underage drinking

Public invited to attend

The Alaska Native Justice Center (ANJC) invites the public to attend a town-hall style meeting on Friday, April 20, from 4 to 7 p.m. in Rasmuson Conference Center rooms 1 and 2 at Cook Inlet Tribal Council, to discuss prevention of underage alcohol consumption. Cook Inlet Tribal Council is located at 3600 San Jeronimo Drive in east Anchorage. To learn more, call (907) 793-3554.

## CIRC chooses respect



CIRC participated in the Choose Respect rally on Thursday, March 29 to take a stand against domestic violence and sexual assault. Learn more about Choose Respect at <http://gov.alaska.gov/parnell/priorities/choose-respect.html>.

## CIRI partners with Alaska Laborers' Union

### Apprenticeship opportunities available

Photo courtesy of Alaska Laborers' Union Local 341.



*CIRI descendant Edward Jones is an apprentice with the Alaska Laborers' Union Local 341.*

CIRI and Alaska Laborers' Union Local 341 have partnered to provide an apprenticeship program to interested CIRI shareholders. The apprenticeship program offers participants the opportunity to gain skills necessary for success in the construction industry through on-the-job training while earning wages and benefits.

"Working together for shareholder development that adds more jobs and opportunities for the state of Alaska is something that we take a lot of pride in," said Joey Merrick, business manager and secretary-treasurer of Laborers' Local 341.

CIRI descendant Edward Jones is a current apprentice. He has been working in Valdez this past winter learning skills that range from scaffold building, insulation and carpentry work to snow removal.

"It is hard work, but it is fun when you are learning new things all the time," said Jones about his new career.

The Alaska Laborers' Union Local 341 is accepting applications for its apprenticeship program. Contact the Alaska Laborers' Training School at (907) 272-4571 to learn more about this opportunity.

## CITC to host 42nd annual NYO games

### Games celebrate traditional competition and Alaska's cultural diversity

Cook Inlet Tribal Council will host the 42nd annual Native Youth Olympics (NYO) games April 27-29 at the Dena'ina Civic and Convention Center in downtown Anchorage. More than 500 student-athletes from Alaska communities will compete to demonstrate their strength, agility and skill in games based on Alaska Native traditional activities.

CITC seeks volunteers to administer scorekeeping and organize logistics. Volunteers will receive a free NYO T-shirt. To learn more about volunteering, sponsoring an athlete or registering visit [www.citci.com/nyogamesalaska](http://www.citci.com/nyogamesalaska) or call (907) 793-3289.

Opening ceremonies take place at 10:30 a.m. on Friday, April 27. Admission is free.

## ATHENA Award

Continued from page 3

During the luncheon, eleven other women were inducted into the ATHENA society, including The CIRI Foundation President and CEO Susan Anderson, also a CIRI shareholder. Learn more about the Anchorage ATHENA Society and its programs and events for current and future Alaskan business women by visiting [www.Anchoragechamber.org](http://www.Anchoragechamber.org).

Photo by Erik Hill/Anchorage Daily News



*CIRI shareholder and TCF President and CEO Susan Anderson was inducted into the ATHENA Society on April 2. At right is Jane Angvik.*

## Help CIRI locate shareholder addresses

The following CIRI shareholders do not have a current mailing address on record and should fill out the change of address form at CIRI's offices, or download it at [www.ciri.com/content/shareholders/change.aspx](http://www.ciri.com/content/shareholders/change.aspx) or send a signed and dated letter that includes the new address, telephone number, birth date and the last four digits of the social security number.

Angel Bruce Alexie	Elmer Thomas Garrett Jr	Kathlyn Jean Rambow
Richard Wilmont Anderson	Nicole Lyn Graham	Kenneth Charles Reamer
Katherine Eleanor Arca	Alberta Lou Hammond	Jerid Francis Rednall
Egan Hugh Askay	Robert John Hand	Cora May Ridley
Rebekah J Axtell	Beverly Ann Hansen	Leona Rose Riley
Brandee Luann Beard	Jennifer Lynne Harren	Dolly Gwynne Roy
Leticia S Belardi	Lucy F Harris	James Eugene Shetter
Steven Patrick Bright	Annie Hochmuth	Jacqueline Sue Silook
Alice E Burk	Kenneth Ivanoff	Erdman Ungaruk Simmonds
Jennifer Denise Campbell	Amber Lea Johnson	Viola M Soxie
Nadia Linda Carreira	Michele Rene Kalmakoff	Geraldine Emma Sparks
Denny Thomas Cheatham	Alyssa J Kashevaroff	Lawrence Morris Starkloff
Leonard Demitri Chute	Sammy Martin Komakhuk Jr	Lisa Mae Szymura
Alice Virginia Dodge	Wayne Lee Komakhuk	Veronica Ann Takeuchi
Christy Lynn Downs	Bertha Louise Komm	Alfred Chad Theodore
Esther Golina Edwards-Gust	Erik Duane MacKinnon	David John Tremko
Lillian Esther Elvsaaas	John Victor Marsden Sr	Martin Sean Tucker
Peggy S Estabrook	Michael West Mason	David Edward Watson
Russell Thomas Fielding	Shaun Michael Moore	Beverly C Weston
Jeffrey Campbell Fleek	Richard Thomas Muller	Donald Omseak Weyanna
Sean David Floyd	Aleck James Newhall	Ronald Jack Wickstrom
Felecia Nichole Foster	Chantelle Darshawn Orr	Aaron R Williams
Joseph Anthony Foster	Maureena Joann Petaja	
Natasha Tenisa Foster	Jessica Irene Proctor	

## In Memory

### Wayne C. Allen, 61

Wayne C. Allen died Jan. 26 at home in Fort Worth, Texas. Mr. Allen was born in Fort Worth, Texas. He is survived by his wife, Susan Allen; daughter, Cassie Moore; and son, Rusty Allen.

### Daryl Dawson Bailey, 41

Daryl Dawson Bailey died Jan. 22 at home in Cullman, Ala. Mr. Bailey was born in Anchorage. He is survived by his father, Luther W. Bailey; sisters, Anita Pope, Amy Holtzen and Rebecca Cox; brother, Matthew Bailey; and stepmother, Jeanne Bailey.

### Mike Robert Balashoff Jr., 73

Mike Robert Balashoff Jr. died Jan. 21 at home in Seldovia, Alaska. Mr. Balashoff was born April 22, 1938. He is survived by his sister, Doris June Mueller.

### Polly Marie Conaway, 63

Polly Marie Conaway died Dec. 2, 2011, in Soldotna, Alaska. Ms. Conaway was born in Kenai, Alaska. She is survived by her husband of 43 years, Michial D. Conaway; daughter, Michelle D. Conaway; and granddaughters, Lariisa and Katrina-Marii Conaway.

### Margaret "Maggie" Dolchok, 88

Margaret "Maggie" Dolchok died March 13 at Heritage Place in Soldotna, Alaska. Ms. Dolchok was born Aug. 12, 1923. She enjoyed berry picking, watching birds that visited her bird feeders, camping, fishing, crossword puzzles and reading. Her loved ones say: "She was loved by all who knew her and she will be greatly missed." She is survived by her daughters, Gloria Wik, Emily Marrs (and companion, David Baker) and Evelyn Huf (and husband, Rusty); son, Eric Wik; grandchildren, Emil Marrs, Crystal Marrs, Samantha Huf, Christa Huf, Gabe Juliussen, Sherian Soares, Darlene Beasley, Charlene Gibbs, Ralph Wik Jr., Wanda Reams, Alec Wik III and Myra Cook; and numerous great-grandchildren, nieces and nephews.

### Elliott M. Eakon Sr., 71

Elliott M. Eakon Sr. died Jan. 9 at the Alaska Native Medical Center in Anchorage. Mr. Eakon was born Oct. 14, 1940, in Unalakleet, Alaska. He enjoyed camping, hunting, trapping, fishing and putting away food for the winter. His loved ones say: "He will be greatly missed by his children and all who knew him." He is survived by his daughters, Elizabeth Pleasant and Olga Shivel; and sons, Vincent and Elliott Eakon Jr.

### Willie N. Johnson Sr., 78

Willie N. Johnson Sr. died Jan. 28 at the Central Peninsula Hospital in Soldotna, Alaska. Mr. Johnson was born August 17, 1933, in Hooper Bay, Alaska. He is survived by his wife, Lovie Johnson; daughters, Carol Johnson, Leona Johnson, Juanita Johnson, Wilma Sledge and Joyce Harvey; sons, Robert and Willie Johnson Jr.; stepdaughter and her husband, Rose and Jim Scaggs; sisters, grandchildren and other extended family.

*In Memory, continued on page 8*

# In Memory continued from page 7

**Edna Mae Linderman, 76**

Edna Mae Linderman died Feb. 16 at home in Kenai, Alaska. Ms. Linderman was born May 14, 1935. CIRI honored her along with her sisters and extended family as Elder shareholders of the year in 2011. She is survived by her daughter, Pamela Rae Christenson (and husband, Eric); son, Manuel Linderman (and wife, Jane); grandchildren, James Linderman, Nicolas Linderman, Leila Jaynes and Erika Jaynes; eight great-grandchildren; sisters, Virginia Trenton and Margie Jordan; and numerous nieces and nephews.

**Margaret J. Pearl (a.k.a. Jackie Pearl), 92**

Margaret J. Pearl (a.k.a. Jackie Pearl) died Feb. 2 at Life Care Center of Reno in Reno, Nev. Ms. Pearl was born May 14, 1919, in Ninilchik, Alaska. She is survived by her daughters, Carroll Charbonnier and Patricia Burrett; adopted son, Patrick Pearl; sister, Cora Cook; brothers, Walter and George Jackinsky; granddaughters, Wendy Seaman, Morgan Burrett and Natasha Sampson; and grandson, Dave Charbonnier.

**Lance Allen Regan, 46**

Lance Allen Regan died Feb. 7 at home in Anchorage. Mr. Regan was born Aug. 19, 1965, in Kanakanak, Alaska. He is survived by his sister, Marilou Holstrom; brothers, William J. Schneider, Terry Schneider, Gene Sanderson, Earl M. Regan and William B. Regan Jr.

**Arlene Joyce Reynolds, 75**

Arlene Joyce Reynolds died Oct. 31, 2011, at home in Anchorage. Ms. Reynolds was born Oct. 18, 1936, in Anchorage. Her loved ones say: "We love you Aunt Arlene; you will be missed by all of your friends and family." She is survived by her sister, Marjorie Powers; nieces, Valerie Cornwell and Cathy Giles; and nephew, Clifton L. Skopak.

**Meda Bella (Abouchuk) Sarren, 78**

Meda Bella (Abouchuk) Sarren died Feb. 5 at the Alaska Native Medical Center in Anchorage. Ms. Sarren was born Sept. 30, 1933, in St. Michael, Alaska. She was a retired licensed practical nurse who cared for the elderly in her hometown of Unalakleet. Her loved ones say: "She was a devoted Catholic and loved her family dearly." She is survived by her daughter, Doris Mae Savetilik; grandchildren, Luke William and Lori Alicia; six great-grandchildren; sisters, Rita and Agnes; brothers, Lawrence and Herbie; and her daughter's fiancé, Robert Lipinski.



Edna Steik

Photo courtesy of Jamie Leman

**Edna Lillian (Matson) Steik, 77**

Edna Lillian (Matson) Steik died Jan. 28 at home in Ninilchik, Alaska. After her mother passed away when she was seven years old, Edna was raised in the missionary-run children's homes in Kenai and Valdez. Edna later lived and traveled with missionaries by steamship to Oregon and California until returning to Alaska and graduating from Fairbanks High School in 1953. She worked as a clothing press operator, waitress, maid, cook, cannery worker, tutor, drive-in owner/operator and school custodian. She is survived by her sister, Helen Benedict and family; daughters and sons-in-law, Jamie (Towe) and Dan Leman, Sheri (Steik) and John Liebenthal and Tammy (Steik) and David Bear; grandson and great-grandson Nathon and Aston Stonecipher; granddaughter and family, Tasha (Leman), Chris and Emma Boin; granddaughter Tiffany Johansen; granddaughter and family, Whitney (Leman), Jason Schollenberg and future grandbaby; granddaughter Krista Leman, and grandson and granddaughter Ryan and Heather Bear.



Ella (Oskolkoff) Woodhead

Photo courtesy of Kathy Woodhead

**Ella (Oskolkoff) Woodhead, 89**

Ella (Oskolkoff) Woodhead died Jan. 30 at the Alaska Native Medical Center in Anchorage. Ms. Woodhead was born Nov. 24, 1922, in Ninilchik, Alaska to the Very Reverend Michael G. Oskolkoff and Matushka Zoya Oskolkoff. Her loved ones say: "She will be remembered for her love of family trips to Hawaii, watching sunsets over Mount Redoubt, her fondness of anything chocolate and attending events at the Performing Arts Center in Anchorage with her daughter. She is survived by her daughter, Faye Woodhead; sons and their spouses, Dale and Brenda Woodhead, Robert and Kathy Woodhead, and Terry and Emily Woodhead; grandchildren, Carmen, Shawn, Dustin, Alexander, Darren and Karlee; great-grandchildren, Jayden, Pierson, Kylie and Gage; sisters, Nancy Ahlrich and Carolyn Reifsnnyder; brother, Arnold Oskolkoff; and numerous nieces and nephews.

## Condolences

- Robert Oran Allen Jr., 58
- Carol M. Bedard, 63
- Mildred Louise Blagg, 77
- Rolf Edward Frostad, 40
- Valerie Lynn Mills, 47

April **2012**



**CIRI**

EDITOR • Miriam Aarons  
 DESIGN • Amanda Rothbarth, Creative North • © CIRI, 2012  
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FSC logo goes here.

## Contact us

2525 C Street, Suite 500  
 Anchorage, AK 99503

Mailing address:  
 P.O. Box 93330  
 Anchorage, AK  
 99509-3330

Phone number:  
 (907) 274-8638

Fax number:  
 (907) 279-8836

[www.ciri.com](http://www.ciri.com)

**Shareholder Relations:**

(907) 263-5191  
 (800) 764-2474  
 Fax number:  
 (907) 263-5186

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**PAID**  
 Permit No. 257  
 Anchorage, AK

P.O. Box 93330  
 Anchorage, Alaska 99509-3330

